

## Realization Committee Meeting Notes/Decisions

October 5, 2010

### Attendees

Present: Commissioner Kreidler, Jennifer Allen, Rud Browne, Sean Corry, Todd Holm, Karen Merrikin, Roberta Riley, Sue Sharpe, Roslyn Solomon, Howard Springer.

Attended via web: Kim Armstrong, Anthony Chen, Sheryl Lowe, Michael Vanderlinde

Staff present: Barb Flye, Ann Aas, Jim Keogh

Guests present: Sofia Aragon, WSNA

Guests via web: Bart Fallon, Cliff Finch

### Meeting called to order: 1:10pm

Sue and Sean opened up the meeting with welcomes and introductions.

Commissioner Kreidler made some opening remarks and then reviewed the ACA's first 6 months.

Reports from other tables were given, including the Joint Select Committee, the Governor's Health Care Cabinet, and the HCA staff work team.

Staff gave a brief review of the required functions of an exchange, and an overview of the current Washington health insurance market. Materials are available on the Realization Committee page of the OIC website.

<http://www.insurance.wa.gov/consumers/reform/RealizationCommittee.shtml>

### Goals of a Washington Exchange

*The Committee unanimously voted to approve the following goals for a Washington exchange:*

There was a shared viewpoint that Washington's exchange should be more than simply a "market organizer."

1. Increase access to quality affordable health care coverage.
2. Encourage carrier competition based on price and quality, not on risk selection.
3. Promote consumer literacy, empowering consumers to compare plans and make informed decisions about their care and coverage.

4. Provide greater transparency and accountability in the health insurance marketplace.
5. Drive quality improvement, cost containment, and innovation in payment systems throughout our health care system.
6. Promote and encourage innovative efforts to reduce health care costs and ensure sustainability of the system.
7. Effectively and efficiently administer health care subsidies.
8. Seamlessly direct consumers to information about and enrollment in programs in addition to those related to health care that are available to lower income individuals and families.

### **Guarding Against Adverse Selection**

How can the state minimize adverse selection, both inside the exchange and between the exchange and outside markets?

*The Committee unanimously voted to approve the following recommendations:*

1. Washington should have one exchange that serves the individual and small group markets (the issue of whether to merge markets for pooling purposes was not decided).
2. The regulatory framework should be the same inside and outside of the exchange.
3. The regulation of the insurance market, both inside and outside of the Exchange should continue to be done by the Washington State Office of the Insurance Commissioner, independent from the governance of the Exchange.
4. Premium subsidies should be available for all eligible individuals purchasing coverage in the individual and small group markets inside the Exchange.

### **Governance Structure**

What principles for developing a governance structure should Washington use?

*The Committee unanimously voted to approve the following recommendations:*

1. Publicly accountable and transparent
2. Insulated from political and other special interests
3. Administratively efficient, value added
4. Broadly representative of the interests of the users of the exchange, individuals and employers; and supportive of the goals of the exchange.
5. Regulation of the insurance market is the responsibility of the OIC, and should be separate from the exchange
6. Promotes a culture of regular evaluation, self and independent
7. Builds on existing models that work well

**Realization Committee Deliverables**

The approved recommendations will be given to the Joint Select Committee, the Governor's Health Care Cabinet, and the HCA's staff working group.

**There was no public comment.**

**Meeting adjourned: 5:13 pm**